

108TH CONGRESS
1ST SESSION

S. 1831

To amend the Internal Revenue Code of 1986 to expand income averaging to include the trade or business of fishing.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 6, 2003

Mr. SMITH (for himself and Mr. LAUTENBERG) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to expand income averaging to include the trade or business of fishing.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCOME AVERAGING FOR FARMERS AND FISH-**
4 **ERMEN NOT TO INCREASE ALTERNATIVE**
5 **MINIMUM TAX LIABILITY.**

6 (a) IN GENERAL.—Section 55(c) (defining regular
7 tax) is amended by redesignating paragraph (2) as para-
8 graph (3) and by inserting after paragraph (1) the fol-
9 lowing new paragraph:

1 “(2) COORDINATION WITH INCOME AVERAGING
2 FOR FARMERS AND FISHERMEN.—Solely for pur-
3 poses of this section, section 1301 (relating to aver-
4 aging of farm and fishing income) shall not apply in
5 computing the regular tax.”.

6 (b) ALLOWING INCOME AVERAGING FOR FISHER-
7 MEN.—

8 (1) IN GENERAL.—Section 1301(a) is amended
9 by striking “farming business” and inserting “farm-
10 ing business or fishing business”.

11 (2) DEFINITION OF ELECTED FARM INCOME.—

12 (A) IN GENERAL.—Clause (i) of section
13 1301(b)(1)(A) is amended by inserting “or fish-
14 ing business” before the semicolon.

15 (B) CONFORMING AMENDMENT.—Subpara-
16 graph (B) of section 1301(b)(1) is amended by
17 inserting “or fishing business” after “farming
18 business” both places it occurs.

19 (3) DEFINITION OF FISHING BUSINESS.—Sec-
20 tion 1301(b) is amended by adding at the end the
21 following new paragraph:

22 “(4) FISHING BUSINESS.—The term ‘fishing
23 business’ means the conduct of commercial fishing
24 as defined in section 3 of the Magnuson-Stevens

1 Fishery Conservation and Management Act (16
2 U.S.C. 1802).”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2003.

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